



ERCOT UPDATE

**SENATE BUSINESS & COMMERCE COMMITTEE
HEARING
APRIL 10, 2012**

**Trip Doggett
President & CEO
ERCOT**

THE SARA CONCEPT

- **The Seasonal Assessment of Resource Adequacy is designed to improve the assessment of near-term conditions. The seasonal assessments are based on the most-current available data on seasonal weather, the status of power plants, and the impact of factors like economic activity and the ongoing drought.**

HOW IS SARA CALCULATED?

- **Calculate reserves based on available resources and normal weather load forecast.**
- **Evaluate range of uses of reserves**
 - Uses of reserves:
 - Higher peak demands due to above normal weather
 - Forced generation outages
 - Planned generation outages
 - Atypical issues like drought
 - Lower wind availability
- **Determine the extent by which these uses of reserves further exhaust available reserves.**

SUMMER SARA (PRELIMINARY FINDINGS RELEASED MARCH 1)

- **ERCOT expects tight reserves this summer. There is a significant chance that ERCOT will need to declare an Energy Emergency Alert (EEA) on multiple occasions during the summer of 2012. These EEA declarations are not likely to result in the need for rotating outages.**
- **If a higher-than-normal number of forced generation outages occur during a period of high demand, or if record-breaking weather conditions similar to last summer lead to even higher-than-expected peak demands, the ERCOT system is likely to have insufficient resources available to serve those demands. This insufficiency would result in the need for rotating outages to maintain the integrity of the system as a whole.**
- **Drought conditions have improved during the winter and spring on many river basins. Reservoir levels are not expected to drop below power plant physical intake limits during summer 2012, but potential risks exist while much of Texas remains under drought conditions.**

WHAT'S AHEAD?

- **Final summer SARA – May 1**
- **Preliminary fall SARA – May 1**

- **Next Capacity Demand Reserves report – June 1**
 - Will have any new information about in-service dates of planned generation.
 - This is a ten year outlook.

- **Brattle report –June 1**
 - The report will examine factors that influence investment decisions for the financing and development of projects to meet ERCOT's resource adequacy goals.
 - Brattle is interviewing market participants now and will give a status update to the ERCOT board on April 16.